



AREA AGENCIES ON AGING ASSOCIATION OF MICHIGAN
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HISTORY OF BLUE CROSS ESCHEATS PROGRAM

*Testimony of Mary Ablan, MA, MSW, Executive Director
before the Senate Insurance Committee on November 5, 2013.*

- In 1990, Senate Republican staffer Kathy Virskus approached me with an idea. The importance of unpaid family caregivers helping the frail elderly was just starting to be recognized, but supports to help caregivers were few and far between. Kathy had been a caregiver and understood this well. She was looking for a resource to provide respite and adult day care to help caregivers keep going, and she found one -- uncashed checks issued by Blue Cross Blue Shield of Michigan (BCBSM) – so called “Blue Cross escheats.”
- Kathy’s boss, Senator Majority Leader John Engler (R-Mt. Pleasant), was on board and gave a green light to the effort. I embraced the idea, as did Michigan’s Area Agencies on Aging.
- Senators Fred Dillingham (R-Fowlerville) introduced two bills – SB 372 and 374, and Representative Justine Barns (D-Westland) introduced the third bill in the package – HB 5067. I mobilized the aging network to provide testimony about the needs of caregivers and the bills passed the Legislature in 1990, as Public Acts 171, 172 and 173.90
- The new laws went into effect on July 2, 1990. At that time, state laws required the BCBSM uncashed checks to be held by the Treasury Department for a period of 7 years in case the rightful owner claimed it. After that period elapsed, 90% of the funds were deposited into the state’s Respite Fund held by Treasury. Because of processing time needed by the Department of Treasury, respite funds started flowing the following year.
- Administrative responsibility for the program was given to the Michigan Office of Service to the Aging (OSA). OSA allocated the funding to Michigan’s Area Agencies on Aging each year using a funding formula. In the early years, funding ranged between \$200,000 and \$700,000.
- The fund has been instrumental in creating and supporting numerous adult day care programs across Michigan where none previously existed, with many in rural areas. These programs are especially helpful for working caregivers who cannot afford to leave their jobs but still want to provide care for their vulnerable loved ones. The fund also supports in-home and out-of-home respite care, providing a variety of options for caregivers to use. Many of the elders served have Alzheimer’s disease or other dementias.